MISTANGO RIVER RESOURCES

UNAUDITED INTERIM FINANCIAL STATEMENTS

For the three month periods ended March 31, 2013 and 2012

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements of Mistango River Resources Inc. are the responsibility of the management and Board of Directors of the Company.

The unaudited interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited interim financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited interim financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Robert J. Kasner”, President and CEO
Robert J. Kasner

“Johnny Oliveira”, CFO
Johnny Oliveira

NOTICE TO READER

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of management. The unaudited interim consolidated financial statements for the three month periods ended March 31, 2013 and 2012 have not been reviewed by the Company's auditors.

Mistango River Resources Inc.

UNAUDITED INTERIM STATEMENTS OF FINANCIAL POSITION

(Canadian dollars)

AS AT,		March 31, 2013		December 31, 2012
ASSETS				(Audited)
Current				
Cash and cash equivalents (Note 5)	**$**	**491,105**	$	1,113,125
Trade and other receivables (Note 7)		**70,143**		97,393
Prepaid expenses		**-**		5,000
		561,248		1,215,518
Investments (Note 8)		**54,284**		75,163
Property, plant and equipment (Note 9)		**104,175**		109,658
	$	**719,707**	$	1,400,339
LIABILITIES				
Current				
Trade and other payables (Note 10 and 11)	**$**	**295,630**	$	395,099
Flow-through share premium liability (Note 13 (a))		**23,000**		116,000
		318,630		511,099
EQUITY				
Share capital (Note 13 (a))		**21,055,066**		21,055,066
Reserve for share based payments (Note 14(a))		**3,822,594**		3,814,594
Reserve for warrants (Note 14 (b))		**800,000**		800,000
Deficit		**(25,291,169)**		(24,813,285)
Accumulated other comprehensive income (loss)		**14,586**		32,865
		401,077		889,240
	$	**719,707**		$ 1,400,339

Nature of Operations and Going Concern (Note 1)
Commitments and Contractual Obligations (Note 16 and 18)

Approved on behalf of the Board on May 23, 2013:

"Robert J. Kasner", Director

"Daniel Farrell", Director

The accompanying notes are an integral part of these unaudited interim financial statements

Mistango River Resources Inc.

UNAUDITED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Canadian dollars)

Three month periods ended March 31,	2013	2012
Expenses		
Salaries, fees and benefits (Note 11)	**$ 32,873**	$ 53,149
Share based compensation (Note 13 (b))	**8,000**	45,000
Professional and consulting fees (Note 11)	**14,222**	20,846
Office, general and administrative (Note 11)	**6,820**	39,249
Shareholder Information	**35,908**	56,575
Amortization (Note 9)	**5,483**	10,698
Exploration and evaluation expenditures (Note 16)	**464,978**	848,210
Net loss before the undernoted	**$ (568,284)**	$ (1,073,727)
Unrealized gain on marketable securities (Note 6)	**-**	385,000
Realized loss on sale of marketable securities (Note 6)	**-**	(368,226)
Flow-through share premium recovery (Note 13 (a))	**93,000**	94,000
Future income tax (expense) recovery (Note 6)	**(2,600)**	11,500
Net loss for the period	**$ (477,884)**	$ (951,453)
Loss per share		
Basic and diluted	**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding		
Basic and diluted (000's)	**37,973**	27,371
Comprehensive Loss		
Net loss	**$ (477,884)**	$ (951,453)
Unrealized (loss) gain on investments	**(18,279)**	80,363
Net comprehensive loss	**$ (496,163)**	$ (871,090)

The accompanying notes are an integral part of these unaudited interim financial statements

Mistango River Resources Inc.

UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

(Canadian dollars)

	Share Capital		Reserves				
	Number of Shares	Amount	Share based payments	Warrants	Deficit	Accumulated other comprehensive income (loss)	Total
Balance at December 31, 2011	27,371,481	$ 19,255,186	$ 3,650,474	$ 485,000	$ (22,002,095)	$ 29,195	$ 1,417,760
Shares issued on private placements	10,500,000	2,485,000	-	-	-	-	2,485,000
Flow-through share premium on private placements	-	(400,000)	-	-	-	-	(400,000)
Exercise of stock options	52,000	13,000	-	-	-	-	13,000
Shares issued for mineral properties	50,000	10,000	-	-	-	-	10,000
Warrants issued on private placements	-	(315,000)	-	315,000	-	-	-
Reserve transferred on exercise of options	-	6,880	(6,880)	-	-	-	-
Share based payments	-	-	171,000	-	-	-	171,000
Net loss for the year	-	-	-	-	(2,811,190)	-	(2,811,190)
Unrealized gain on investments for the year	-	-	-	-	-	3,670	3,670
Balance at December 31, 2012	**37,973,481**	**$ 21,055,066**	**$ 3,814,594**	**$ 800,000**	**$ (24,813,285)**	**$ 32,865**	**$ 889,240**
Share based payments	-	-	8,000	-	-	-	8,000
Net loss for the period	-	-	-	-	(477,884)	-	(477,884)
Unrealized loss on investments for the period	-	-	-	-	-	(18,279)	(18,279)
Balance at March 31, 2013	**37,973,481**	**$ 21,055,066**	**$ 3,822,594**	**$ 800,000**	**$ (25,291,169)**	**$ 14,586**	**$ 401,077**

Balance at December 31, 2011	27,371,48	$ 19,255,186	$ 3,650,474	$ 485,000	$ (22,002,095)	$ 29,195	$ 1,417,760
Share based payments	-	-	45,000	-	-	-	45,000
Net loss for the period	-	-	-	-	(951,453)	-	(951,453)
Unrealized gain on investments for the period	-	-	-	-	-	80,363	80,363
Balance at March 31, 2012	27,371,48	$ 19,255,186	$ 3,695,474	$ 485,000	$ (22,953,548)	$ 109,558	$ 591,670

The accompanying notes are an integral part of these unaudited interim financial statements

Mistango River Resources Inc.

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

(Canadian dollars)

Three months ended March 31,	2013	2012
Operations		
Net loss	$ **(477,884)**	$ (951,453)
Adjustments to reconcile net loss to cash flow from operating activities:		
Share based payments	**8,000**	45,000
Unrealized gain on marketable securities	**-**	(385,000)
Realized loss on marketable securities	**-**	368,226
Future income tax expense (recovery)	**2,600**	(11,500)
Flow-through share premium recovery	**(93,000)**	(94,000)
Amortization	**5,483**	10,698
Net change in non-cash operating working capital items:		
Trade and other receivables	**27,250**	34,204
Prepaid expenses	**5,000**	-
Trade and other payables	**(99,469)**	26,760
	(622,020)	(957,065)
Financing		
Payment of long-term debt	**-**	(3,859)
	-	(3,859)
Investing		
Proceeds from sale of marketable securities	**-**	506,774
Proceeds from sale of property, plant and equipment	**-**	3,700
	-	510,474
Net decrease in cash	**(622,020)**	(450,450)
Cash, beginning of period	**1,113,125**	1,036,190
Cash, end of period	$ **491,105**	$ 585,740

The accompanying notes are an integral part of these unaudited interim financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN CONSIDERATIONS

Mistango River Resources Inc. ("Mistango" or the "Company") is a federally incorporated company. The Company's head office is located at 4 Al Wende Ave., Kirkland Lake, ON, P2N 3J5. Mistango's principal business is the acquisition and exploration of mineral properties. Substantially all of the efforts of the Company are devoted to these business activities. To date, the Company has not earned significant revenue and is considered to be in the exploration stage. The ability of the Company to carry out its business plan rests with its ability to secure equity and other financing.

As at March 31, 2013, the Company had working capital of $242,618 (December 31, 2012 - $704,419), had not yet achieved profitable operations, had accumulated losses of $25,291,169 (December 31, 2012 - $24,813,285) and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern. The Company is in the exploration stage and has no proven reserves or production relating to its operations. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company has sufficient funds or access to sufficient funds to cover planned operations throughout the next twelve month period. However, management plans on securing additional financing through the issue of new equity, among other things. Nevertheless, there is no assurance that these initiatives will be successful.

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The business of mining and exploring for minerals involves a high degree of risk and there is no guarantee that the Company's exploration programs will yield positive results or that the Company will be able to obtain the necessary financing to carry out the exploration and development of its mineral property interests.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the statement of financial position classifications used in the financial statements.

The future profitability of exploration properties and the Company's continued existence are dependent upon the preservation of its interests in the underlying properties, the development of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

Although the Company has taken steps to verify title to the properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, unregistered prior agreements, undetected defects, unregistered claims, native land claims, and non-compliance with regulatory and environmental requirements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unaudited interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These unaudited interim financial statements were authorized by the Board of Directors of the Company on May 23, 2013.

2.2 Basis of presentation

These unaudited interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's December 31, 2012 annual financial statements. Management advises readers of these unaudited interim financial statements to review the audited financial statements and accompanying notes as at December 31, 2012 in conjunction with the review of these statements.

2.3 Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, IFRS, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of authorization of these Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted these standards, amendments and interpretations. However, the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.
- IAS 32 '*Financial instruments, Presentation'* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date.

2.4 Use of management estimates, judgments and measurement uncertainty

The preparation of these financial statements requires management to make judgements and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgements and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgements and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to recoverability of trade and other receivables, valuation of deferred income tax amounts and the calculation of share-based payments and warrants. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

2. BASIS OF PREPARATION *(continued)*

2.4 Use of management estimates, judgments and measurement uncertainty *(continued)*

Calculation of share based payments and warrants
The Black-Scholes option pricing model is used to determine the fair value for the share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income taxes
Tax interpretations, regulations and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

3. CAPITAL MANAGEMENT

The Company’s objectives in managing its capital are: to maintain adequate levels of funding to support its expenditures arising from the Company’s investments; to safeguard the Company’s ability to continue as a going concern in order to pursue the exploration of its properties; to maintain a flexible capital structure for its projects for the benefit of its stakeholders; to maintain corporate and administrative functions necessary to support the Company’s operations and corporate functions; and to seek out and acquire new projects of merit.

The Company considers its capital to be equity, which is comprised of share capital, reserve accounts, accumulated deficit and accumulated other comprehensive income, which as at March 31, 2013 totaled $401,077 (December 31, 2012 - $889,240).

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will continue to assess its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company’s investment policy is to invest its cash in low-risk, highly liquid, short-term interest-bearing investments, selected with regards to the expected timing of upcoming expenditures.

The Company expects its capital resources will be sufficient to carry out its exploration plans and operations through its current operating period. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended March 31, 2013. The Company is not subject to externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

Fair Value Hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data.

Fair value

The Company's financial instruments as at March 31, 2013 include cash and cash equivalents, trade and other receivables, investments, trade and other payables, and long-term debt. The Company has designated its cash and cash equivalents as FVTPL, which are measured at fair value cash and cash equivalents and is determined based on transaction value and is categorized as Level 1 measurement. The Company has designated its investments as available-for-sale, which are measured at fair value and is determined based on transaction value and is categorized as Level 1 measurement. Fair value of trade and other receivable and trade and other payables are determined from transaction values which were derived from observable market inputs. Fair values of these financial instruments are based on Level 2 measurements. The Company records its financial instruments at their carrying amounts which approximates fair value, unless otherwise disclosed in the financial statements. The carrying amounts approximate fair values due to the short-term maturities of these financial instruments.

The Company’s risk exposures and the impact on the Company’s financial instruments are summarized below:

Interest-rate risk

The Company has cash and cash equivalents balances bearing fixed interest rates and no interest bearing debt. The Company’s current policy is to invest excess cash in investment-grade short term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

The Company's credit risk is primarily attributable to cash and cash equivalents and receivables included in current assets. The Company has no material concentration of credit risk arising from operations. Cash and cash equivalents consist of bank deposits and short-term guaranteed investment certificates, which have been invested in a Canadian chartered bank, from which management believes the risk of loss is remote. As at March 31, 2013, the Company’s receivables primarily consist of amounts due from the Canadian government. The Company’s receivables are normally collected within a 60-90 day period. The Company has not experienced any significant collection issues to March 31, 2013. The Company is exposed to credit risk with regards to debtors refusing payment and the government denying the Company claims filed.

The Company’s maximum exposure to credit risk as at March 31, 2013 is the carrying value of cash and cash equivalents and trade and other receivables.

4. FINANCIAL INSTRUMENTS *(continued)*

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2013, the Company had current assets of $561,248 (December 31, 2012 - $1,215,518) to settle current liabilities of $318,630 (December 31, 2012 - $511,099). The ability of the Company to continue to pursue its exploration activities and continue as a going concern is dependent on its ability to secure additional equity or other financing. All of the Company's financial liabilities (other than long-term debt) have contractual maturities of less than 30 days and are subject to normal trade terms. As at March 31, 2013, the Company had working capital of $242,618 (December 31, 2012 – $704,419).

Price risk
The Company holds common shares of companies traded on the Toronto stock exchange Venture ("TSXV"). The Company has classified some of these investments as FVTPL and others as available-for-sale and such common shares are subject to stock market volatility. The value of this financial instrument fluctuates on a daily basis due to external market factors that are not within the control of the Company. The Company monitors the trading value of these common shares in order to ensure that, if in the best interest of the Company, sale of the shares is made under favourable conditions

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a one year period:

i. The Company's investments are subject to fair value fluctuations. As at March 31, 2013, if the fair value of the investments had decreased/increased by 10% with all other variables held constant, net comprehensive income (loss) for the three month period ended March 31, 2013 would have been approximately $5,000 (2012 - $16,000) higher/lower.

5. CASH AND CASH EQUIVALENTS

The cash and cash equivalents balance at March 31, 2013, contains cash on deposit with major Canadian banks of $85,645 (December 31, 2012 - $609,242) and $405,460 (December 31, 2012 - $503,883) in short-term guaranteed investment certificates which are redeemable in full with interest at any time and mature in June 2013.

6. MARKETABLE SECURITIES

Marketable securities were comprised of common shares of Brigus Gold Corp. ("Brigus"), a publicly traded Canadian company traded on the Toronto stock exchange ("TSX"). During the three month period ended March 31, 2012, the Company sold 500,000 of these shares for net proceeds of $506,774. The Company recorded a realized loss during the three month period ended March 31, 2012 of $368,226 and a reversal of the previously recorded unrealized loss of $385,000 on the sale of these marketable securities.

7. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from sales and harmonized sales tax ("HST") receivable due from government taxation authorities. These are broken down as follows:

As at,		March 31, 2013		December 31, 2012
HST receivable	**$**	**70,143**	$	97,393
Total trade and other receivables	**$**	**70,143**	$	97,393

At March 31, 2013, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4.

The Company holds no collateral for any receivable amounts outstanding as at March 31, 2013.

8. INVESTMENTS

Investments include 835,121 shares of RJK Explorations Inc. ("RJK") and 136 shares of Strategic Resources Inc. ("SRI"), publicly-traded Canadian companies listed on the TSX-V. As at March 31, 2013, these available-for-sale investments have been measured at their fair value, as determined by the closing bid price of the securities on March 31, 2013 of $54,284 (December 31, 2012 – $75,163). The impact to the financial statements of this revaluation to market value resulted in an decrease of $20,879 (2012 – increase of $91,863) to the value of the investments with a corresponding decrease in accumulated other comprehensive loss of $18,279 (2012 – increase of $80,363) offset by future income tax expense of $2,600 (2012 – recovery of $11,500) that has been included in the current period's net loss.

9. PROPERTY, PLANT AND EQUIPMENT

		Exploration equipment		Office furniture		Total
Cost						
As at January 1, 2012	$	172,104	$	36,776	$	208,880
Additions		16,131		-		16,131
Disposals		(17,000)		-		(17,000)
As at December 31, 2012 and March 31, 2013	**$**	**171,235**	**$**	**36,776**	**$**	**208,011**
Accumulated depreciation						
As at January 1, 2012	$	45,434	$	32,548	$	77,982
Amortization		32,825		846		33,671
Disposals		(13,300)		-		(13,300)
As at December 31, 2012	**$**	**64,959**	**$**	**33,394**	**$**	**98,353**
Amortization		**5,314**		**169**		**5,483**
As at March 31, 2013	**$**	**70,273**	**$**	**33,563**	**$**	**103,836**
Net book value						
As at December 31, 2012	$	106,276	$	3,382	$	109,658
As at March 31, 2013	**$**	**100,962**	**$**	**3,213**	**$**	**104,175**

10. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

As at,		March 31, 2013		December 31, 2012
		$		$
Less than 1 month		**33,780**		136,136
1 – 3 months		**5,719**		2,832
Over 3 months		**256,131**		256,131
Total trade and other payables	**$**	**295,630**	$	395,099

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management during the three month periods ended March 31, 2013 and 2012 included:

		March 31, 2013		March 31, 2012
Balances:				
Short-term employee benefits	**$**	**91,000**	$	75,000
Total compensation paid to key management	**$**	**91,000**	$	75,000

Certain corporate entities and consultants that are related to the Company's officers and directors or persons holding more than 10% of the issued and outstanding shares of the Company provide consulting and other services to Mistango. All transactions were conducted in the normal course of operations and are measured at the exchange amounts, which is the amount of consideration established and agreed to by the related parties and are as follows:

During the three month period ended March 31, 2013, the Company was charged $6,000 (2012 - $6,000) for administrative costs are comprised of rent paid to a company controlled by the President of the Company (See Note 15 - Commitments and Contractual Obligations).

Trade and other payables at March 31, 2013 includes $4,000 (December 31, 2012 - $11,000) owing to officers, directors and companies controlled by officers and directors.

Management believes these transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

12. SHARE CAPITAL

(a) Common shares

Mistango's authorized share capital consists of an unlimited number of Class A Voting Common Shares, and an unlimited number of non-voting, redeemable Class B Preferred Shares, Series A. This series is redeemable by the Company, in whole or in part, at the rate of $1,000 per Series A share. The holders of the Series A shares are not entitled to dividends.

The issued Class A Voting Common Share capital is summarized as follows:

	Number of Shares	Amount
Balance, December 31, 2011	27,371,481	$ 19,255,186
Private placements	10,500,000	2,500,000
Issued on exercise of stock options [1]	52,000	13,000
Issued for mineral properties	50,000	10,000
Reserve transferred on exercise of options	-	6,880
Fair value of warrants issued on private placements	-	(315,000)
Shares issue costs – cash	-	(15,000)
Flow-through share premium on private placements	-	(400,000)
Balance, December 31, 2012 and March 31, 2013	**37,973,481**	**$ 21,055,066**

[1]The average fair value of the shares issued through the exercise of options on the date the options were exercised in the three month period ended March 31, 2013 was $Nil (year ended December 31, 2012 - $0.44).

2012

On June 8, 2012, the Company completed a private placement totaling 8,000,000 flow-through units at $0.25 each for an aggregate amount of $2,000,000 and 2,500,000 units at $0.20 each for an aggregate amount of $500,000 for total proceeds for $2,500,000. Each flow-through unit is comprised of one "flow-through" common share and one half of one common share purchase warrant. Each unit is comprised of one common share and one half of one common share purchase warrant. Each whole warrant is exercisable at a price of $0.35 for a period of 24 months. The flow-through shares were issued at a premium to the market price in recognition of the tax benefits accruing to subscribers.

The fair value of the 5,250,000 share purchase warrants was estimated at $315,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; forfeiture rate 0%; risk free interest 1.04%; volatility 100% and an expected life of 2 years.

During the three month period ended March 31, 2013, the flow-through premium as a result of flow-through financings was calculated to be $Nil (year ended December 31, 2012 - $400,000). During the three month period ended March 31, 2013, the flow-through share premium liability of $93,000 (2012 - $94,000 l) was reversed (resulting from flow-through funds spent) and recorded as a flow-through share premium recovery in the statements of loss and comprehensive loss for the three month period ended March 31, 2013. The remaining flow-through share premium liability of $23,000 (December 31, 2012 - $116,000) will be reversed through the statements of loss as the Company spends the remaining $113,000 (December 31, 2012 - $582,000) in eligible Canadian Exploration Expenditures.

12. SHARE CAPITAL *(continued)*

(b) Options

The Company has a stock option plan (the "Plan") under which the directors of the Company may grant options to acquire common shares of the Company to directors and officers, employees, and consultants of the Company. The maximum aggregate number of common shares under options any time under the Plan cannot exceed 10% of the issued shares. As at March 31, 2013, the Company had 749,348 (December 31, 2012 – 749,348) options available for issuance under the Plan. The options outstanding to purchase common shares are as follows:

	March 31, 2013			December 31, 2012		
	Options		**Weighted Average Exercise Price**	Options		Weighted Average Exercise Price
Outstanding at beginning of period/year	**2,150,000**	**$**	**0.25**	2,150,000	$	0.25
Transaction during the period/year						
Granted	**-**		**-**	1,350,000		0.25
Exercised	**-**		**-**	(52,000)		0.25
Forfeited/Expired	**-**		**-**	(400,000)		0.25
Outstanding at end of period/year	**3,048,000**	**$**	**0.27**	3,048,000	$	0.27
Exercisable at end of period/year	**2,948,000**	**$**	**0.27**	2,848,000	$	0.27

The following summarizes information on the stock options outstanding at March 31, 2013:

Range of Exercise Prices ($)	**No. of Options Outstanding**	**Weighted Average Remaining Life (Years)**	**Weighted Average Exercise Price ($)**	**No. of Options Exercisable**	**Weighted Average Exercisable Exercise Price ($)**
0.25	2,548,000	2.84	0.25	2,448,000	0.25
0.30 – 0.35	290,000	0.77	0.30	290,000	0.30
0.50	2100,000	2.59	0.50	2100,000	0.50
0.25 – 0.50	**3,048,000**	**2.62**	**0.27**	**2,948,000**	**0.27**

The fair value of each option was estimated on the date of grant. The following are the assumptions used under Black-Scholes at the measurement date for the three month period ended March 31, 2013:

	Vesting of prior issued options
Current year expense	$8,000

12. SHARE CAPITAL *(continued)*

(b) Options *(continued)*

The fair value of each option was estimated on the date of grant. The following are the assumptions used under Black-Scholes at the measurement date for the year ended December 31, 2012:

	Vesting of prior issued options	Re-pricing of options	January 1, 2012	February 8, 2012	February 8, 2012
Options Issued			400,000	250,000	40,000
Risk-free interest rate			0.96%	1.19%	1.19%
Expected life			1 year	3 years	3 years
Exercise price			$0.25	$0.25	$0.35
Price volatility			100%	100%	100%
Dividend yield			Nil	Nil	Nil
Forfeiture rate			Nil	Nil	Nil
Vesting			¼ Immediately, then ¼ every 3 months	Immediately	3 months
Share based compensation			$39,000	$21,000	$3,000
Current year expense	$25,000	$1,000	$10,000	$21,000	$3,000

	June 26, 2012	August 27, 2012	November 1, 2012	Total
Options Issued	50,000	400,000	210,000	1,350,000
Risk-free interest rate	1.25%	1.16%	1.16%	
Expected life	5 years	2 years	3 years	
Exercise price	$0.25	$0.25	$0.50	
Price volatility	100%	100%	100%	
Dividend yield	Nil	Nil	Nil	
Forfeiture rate	Nil	Nil	Nil	
Vesting	Immediately	¼ Immediately, then ¼ every 3 months	Immediately	
Share based compensation	$7,000	$53,000	$62,000	$185,000
Current year expense	$7,000	$42,000	$62,000	$171,000

During the year ended December 31, 2012, the Company re-priced the exercise price on 50,000 stock options from $0.30 to $0.25. The fair value of this re-pricing using was estimated at $1,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; forfeiture rate 0%; risk free interest 1.41%; volatility 100% and an expected life of 4.75 years.

The weighted average grant-date fair value of options granted during the three month period ended March 31, 2013 was $Nil (Year ended December 31, 2012 - $0.13) per option issued.

12. SHARE CAPITAL *(continued)*

(c) Common Share Purchase Warrants

The exercise price and expiry date of the warrants outstanding at March 31, 2013 are as follows:

Warrants	Exercise Price	Expiry Date
1,100,000	0.45	June 3, 2013
375,000	0.45	June 30, 2013
3,583,500	0.35	October 13, 2013
367,000	0.25	October 13, 2013
833,333	0.35	December 21, 2013[1]
83,333	0.35	December 21, 2013
5,250,000	0.35	June 8, 2014[1]
11,592,166		

[1] These warrants are subject to acceleration, at the option of the Company, in the event that the closing price of the Common Shares equals or exceeds $0.50 for a period of 10 consecutive trading days at any time before expiry.

13. RESERVES

(a) Share based payments

Reserve for share based payments is comprised of the following:

	March 31, 2013	December 31, 2012
Balance, beginning of the period/year	**$ 3,814,594**	$ 3,650,474
Share based payments	**8,000**	171,000
Reserve transferred on exercise of options	**-**	(6,880)
Balance, end of period/year	**$ 3,822,594**	$ 3,814,594

(b) Warrants

Reserve for share based payments is comprised of the following:

	March 31, 2013	December 31, 2012
Balance, beginning of the period/year	**$ 800,000**	$ 485,000
Fair value of warrants issued on private placements	**-**	315,000
Balance, end of period/year	**$ 800,000**	$ 800,000

14. MINERAL PROPERTIES AND EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are broken down as follows:

	Three month period ended		Cumulative to date *
	March 31, 2013	March 31, 2012	
Baldwin, Ontario	**$ 805**	$ 951	**$ 597,025**
Casa Berardi, Quebec	**-**	-	**685,561**
Goldie, Ontario	**-**	-	**511,825**
Kirkland West, Ontario	**1,208**	1,209	**256,698**
Omega Property, Ontario	**462,965**	837,862	**5,361,486**
Sackville, Ontario	**-**	8,188	**608,831**
General and other	**-**	-	**112,501**
Exploration and evaluation expenditures	**$ 464,978**	$ 848,210	**$ 8,133,927**

* Only properties currently under exploration are included in this figure.

Pursuant to a re-instated option agreement in respect of its Boudreault property, the Company made a $10,000 payment in 2010. In order to exercise its right to acquire the Boudreault property under the re-instated option, Mistango made a cash payment of $15,000 and issued 25,000 shares in the capital of the Company on December 1, 2010.

On June 14, 2011, the Company entered into a property option agreement to acquire a 100% interest in six claims in close proximity to the Company's Omega property in Larder Lake, Ontario. To acquire a 100% interest the Company will pay cash of $150,000 as follows: $25,000 on signing (paid), $25,000 on or before June 30, 2012 (paid), $50,000 on or before June 30, 2013, and $50,000 on or before June 30, 2014 and issue 300,000 common shares as follows: 50,000 on signing (issued with a fair value of $8,000), 50,000 on or before June 30, 2012 (issued with a fair value of $10,000), 100,000 on or before June 30, 2013, and 100,000 on or before September 30, 2014. In addition, the Company is required to carry out $500,000 in work expenditures on these claims by June 30, 2014. The vendor will retain a 3% Net Smelter Royalty ("NSR").

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees. The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

15. COMMITMENTS AND CONTRACTUAL OBLIGATIONS *(continued)*

The Company may become subject to tax audits of the flow-through expenditures renounced to investors; however, the Company believes that all Canadian Exploration Expenditures were effected and renounced in compliance with the prescribed regulations of the *Income Tax Act (Canada*).

During the year ended December 31, 2012, 8,000,000 flow-through shares were issued pursuant to the private placements described in Note 12 (a) for gross proceeds of $2,000,000. As at March 31, 2013, the Company is committed to spending approximately $113,000 (December 31, 2012 - $582,000) on Canadian exploration costs by December 31, 2013 as part of its 2012 flow-through funding agreements the Company has expended all of these flow-through funds. The Company has indemnified the subscribers for any tax related amounts that become payable by the subscribers as a result of the Company failing to meet its expenditure commitments.

During the year ended December 31, 2012, Mistango signed a one-year lease extension on the Kirkland Lake premises. Pursuant to the terms of the renewed lease agreement, the Company is committed to paying approximately $22,245 per year, to a company owned by the President of Mistango.